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Major new spyscandal rumored in Britain

London (AP)—A major new spy scandal reportedly involving lax security at a top-secret communications station is buzzing through government circles and worrying Prime Minister Margaret Thatcher, the British press said yesterday.

The London Times said the reports circulating among high officials center on the Government Communications Headquarters at Cheltenham, 90 miles northwest of London.

The headquarters controls a worldwide network of communications and surveillance stations monitoring millions of international messages which code-breakers and language experts analyze for intelligence. Cheltenham also maintains security links with British allies, including the United States.

The reports follow the arraignment Thursday of Geoffrey Arthur Prime, of Cheltenham, on an espionage charge described by prosecutor David Matthews as being "of the gravest possible nature."

Details were not disclosed, but the formal charge states that Mr. Prime "between January 1, 1968, and December 31, 1981, in England for purposes prejudicial to the safety and interest of the state, communicated to other persons information which was calculated to be or might be, or was intended to be, directly or indirectly useful to an enemy."

The Sun newspaper reported the information related to purported leaks from Cheltenham. The Daily Telegraph described the Russian-speaking defendant as a former employee there.

Mr. Prime, 44, was ordered held in custody and his trial proceedings were delayed until November 26.

Last month Mr. Prime was charged with indecent assault on girls aged 13 to 16 between April, 1980, and April, 1982.

He will likely be tried on the espionage charges at London's Old Bailey Central Criminal Court, officials said.

The Financial Times said government ministers fear the affair "could develop into the biggest scandal since Kim Philby." Mr. Philby, a leading member of the British Secret Intelligence Service known as MI6, fled to Moscow in 1963 after he betrayed scores of agents around the world to the Soviets.

The British Broadcasting Corporation said Prime Minister Thatcher "is treating the possibility of a damaging new spy scandal extremely seriously."

Three members of Parliament have submitted questions for Mrs. Thatcher to answer in the House of Commons about security at Cheltenham, which the BBC described as "Britain's most secret intelligence establishment."

Duncan Campbell, a British journalist who specializes in security matters, said despite heavy security at Cheltenham, precautions against leaks are "very slack."

"Staff from the center gossip openly about their work in local pubs," he said. "I would not be surprised if secrets had been leaked accidentally in this way."

Britain has been rocked by spy scandals since the end of World War II. The most recent was last year when the late Sir Roger Hollis, director of the MI5 counter-intelligence agency from 1956 to 1965, was revealed as a possible Soviet spy.